(ii) Before the date described in paragraph (g)(1)(i) of this section, if either the grantee or HUD determines that the displacement resulted directly from rehabilitation, acquisition or demolition for the project;

(iii) By a tenant-occupant of a dwelling unit after the initiation of negotiations, if:

(A) The tenant has not been provided a reasonable opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the project following the completion of the project at a rent, including estimated average utility costs, that does not exceed the greater of:

(*1*) The tenant's rent and estimated average utility costs before the commitment; or

(*2*) The total tenant payment, as determined under 24 CFR 813.107, if the tenant is low-income, or 30 percent of gross household income if the tenant is not low-income; or

(B) The tenant has been required to relocate temporarily, but:

(*1*) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in rent and utility costs, or other conditions of the temporary relocation are not reasonable, and

(*2*) The tenant does not return to the project; or

(C) The tenant is required to move to another unit within the project but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move or other conditions of the move are not reasonable.

(2) A person does not qualify as a displaced person, if:

(i) The person has been evicted for cause based upon a serious or repeated violation of material terms of the lease or occupancy agreement, and the grantee or State recipient determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance; or

(ii) The person moved into the property after the owner's submission of the request for assistance but, before commencing occupancy, received written notice of the owner's intent to terminate the person's occupancy for the project; or

(iii) The person is ineligible under 49 CFR 24.2(g)(2); or

(iv) The grantee or State recipient determines that the person was not displaced as a direct result of rehabilitation, acquisition or demolition of the project, and the HUD Field Office concurs in that determination.

(3) The grantee may, at any time, ask HUD to determine whether a specific displacement is or would be covered by these rules.

§ 511.15 Lead-based paint.

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821–4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851–4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this title apply to activities under these programs.

[64 FR 50225, Sept. 15, 1999]

§ 511.16 Other Federal requirements.

In addition to the Federal requirements set forth in 24 CFR part 5, Grantees and, where applicable, State recipients shall comply with the following requirements:

(a) *Labor standards.* All laborers and mechanics (except laborers and mechanics employed by a State or local government acting as the principal contractor on the project) employed in the rehabilitation of a project assisted under the Rental Rehabilitation Program that contains 12 or more dwelling units after rehabilitation shall be paid wages at rates not less than those prevailing on similar rehabilitation in the locality, if such a rate category exists, or other appropriate rate as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a—276a–5), and contracts involving their employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333). (If CDBG funds are used to finance certain costs for projects of 8 or more units, these labor standards may apply (see 24 CFR 570.603).) If a project is subject to Federal labor standards requirements,

individuals are not permitted to perform work thereon which is covered by such requirements without compensation in accordance with such requirements, except that persons who own a project in their own name may personally perform uncompensated work on their own projects. Grantees, State recipients, owners, contractors and subcontractors shall comply with applicable implementing regulations in 29 CFR parts 1, 3, and 5.

(b) *Environment and historic preservation.* Section 104(g) of the Housing and Community Development Act of 1974 and 24 CFR part 58, which prescribe procedures for compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4361), and the additional laws and authorities listed at 24 CFR 58.5.

(c) *Pet ownership in housing for the elderly or handicapped.* The provisions of 24 CFR part 243 apply to any project assisted under this part for which preference in tenant selection is given for all units in the project to elderly or handicapped persons or elderly or handicapped families, as defined in 24 CFR 812.2.

(d) *Flood insurance.* (1) Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001–4128), a grantee may not approve the commitment of rental rehabilitation grant amounts to a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(i) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than a year has passed since FEMA notification regarding such hazards; and

(ii) Flood insurance is obtained as a condition of approval of the commitment.

(2) Grantees with projects located in an area identified by FEMA as having special flood hazards are responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

(3) This paragraph § 511.16(g) does not apply in the case of allocations administered by a State under § 511.51(a).

(Approved by the Office of Management and Budget under control number 2506–0080)

[55 FR 20050, May 14, 1990, as amended at 61 FR 5208, Feb. 9, 1996]

Subpart C [Reserved]

Subpart D—Allocation Formula and Reallocations

§§ 511.30–511.31 [Reserved]

§ 511.33 Deobligation of rental rehabilitation grant amounts.

(a) Before deobligating grant amounts, HUD will consult with the affected grantee and take into account factors such as timing of the grantee's program year; the timing of State distributions to State recipients, if applicable; the timing of expected project approvals for projects in the grantee's pipeline; climatic or other considerations affecting rehabilitation work schedules; and other relevant considerations. In addition to any remedial deobligation under § 511.82, HUD may deobligate any rental rehabilitation grant amounts that are not:

(1) Committed to specific local projects within 3 years of the date of obligation of the grant under § 511.21(d) (4 years in the case of a State that distributes rental rehabilitation grant amounts to State recipients); or

(2) Expended for eligible costs within 5 years of such date of obligation (6 years in the case of a State that distributes rental rehabilitation grant amounts to State recipients).

(b) After such consultation, the HUD field office may direct the grantee to proceed with program closeout and may deobligate remaining unexpended grant amounts if the field office determines that any uncommitted funds will not be committed within a reasonable time, only small amounts of funds remain unexpended, or completion of uncompleted projects appears infeasible within a reasonable time. None of the time periods referred to in this section are extended by any suspensions of